

## INITIATED STATUTORY MEASURE NO. 3

### BALLOT TITLE

This initiated measure would create a Bank of North Dakota administered program providing for partial reimbursement of student loan payments for employed North Dakota residents under thirty years of age who have graduated from accredited post-secondary schools. Reimbursement would be limited to \$1,000 per eligible resident per year for not more than five years. The measure would also provide an income tax credit of up to \$1,000 for employed North Dakota residents from twenty-one through twenty-nine years of age, for up to five years.

### FULL TEXT OF THE MEASURE

**IF MATERIAL IS UNDERScoreD, IT IS NEW MATERIAL WHICH IS BEING ADDED. IF MATERIAL IS OVERSTRUCK BY DASHES, THE MATERIAL IS BEING DELETED. IF NO MATERIAL IS UNDERScoreD OR OVERSTRUCK, THE MEASURE CONTAINS ALL NEW MATERIAL WHICH IS BEING ADDED.**

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:**

**SECTION 1.** Chapter 15-62.4 of the North Dakota Century Code is created and enacted as follows:

**15-62.4-01. Student loan reimbursement – Administration – Student loan defined.** The Bank of North Dakota shall administer a program for reimbursement of student loan repayments by eligible residents of this state. For purpose of this chapter, “student loan” means a loan from a financial institution, governmental entity, or accredited postsecondary education institution to a student and which is used by that student for expenses of attendance at an accredited postsecondary education institution.

**15-62.4-02. Student loan reimbursement eligibility.** To be eligible for reimbursement under this chapter, an individual must be a graduate with at least a two-year degree from an accredited postsecondary education institution, must be less than thirty years of age at the end of the calendar year, and for at least one hundred eighty days at the end of the calendar year must be a resident of this state and engaged in gainful employment or self-employed in this state. Reimbursement under this chapter is limited to a maximum of one thousand dollars per individual per year for a period of not more than five years, beginning with the first year for which an individual claims reimbursement under this chapter. Expenditures eligible for reimbursement under this chapter are limited to repayment of principal and interest of a nondelinquent student loan.

**15-62.4-03. Student loan reimbursement.** Upon presentation to the Bank of North Dakota of a verified statement of eligibility from an applicant, with attached statements from the lender or lenders of the amount the applicant repaid on a student loan or student loans during the calendar year, the Bank of North Dakota shall reimburse the applicant for up to one thousand dollars of student loan repayment expenditures by the applicant during the calendar year. If the Bank of North Dakota is the lender, the applicant is not required to file a statement from the lender of the amount of the student loan repaid and reimbursement to the applicant must first be credited against the applicant's unpaid balance of Bank of North Dakota student loans and any remaining amount must be paid to the applicant.

**SECTION 2.** A new subdivision of subsection 1 of section 57-38-01.2 of the North Dakota Century Code is created and enacted as follows:

#### **Youth retention credit.**

1. An individual is entitled to a credit against income tax liability as computed under section 57-38-29 or 57-38-30.3 if the individual is:
  - a. At least 21 years of age and less than thirty years of age at the end of the calendar year;
  - b. A resident of this state; and
  - c. Engaged in gainful employment or self-employment in this state for at least the last one hundred eighty days of the calendar year.
2. The credit under this section is limited to a maximum of one thousand dollars per individual per year for a period of not more than five years, beginning with the first year for which the individual claims the credit under this section. The credit may not exceed the individual's tax liability under this chapter.

**SECTION 3.** A new subsection of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

A taxpayer filing a return under this section is entitled to the credit provided under section 2 of this Act.

**SECTION 4. EFFECTIVE DATE.** Section 1 of this Act is effective for loan repayments after December 31, 2002. Sections 2 and 3 of this Act are effective for taxable years beginning after December 31, 2002.